

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070020
#3824
OK

September 23, 2011

Kit Pappas, Manager of Environmental/Engineering Services
Hidden Splendor Resources, Inc.
3266 South 125 West
Price, Utah 84501

Subject: Five-Year Permit Renewal, Hidden Splendor Resources, Inc., Horizon Mine,
C/007/0020, Task ID #3824, Outgoing File

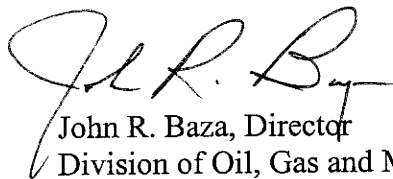
Dear Mr. Pappas:

The permit renewal for the Horizon Mine is approved, effective October 11, 2011. Enclosed is the State Decision Document for Permit Renewal, which includes two (2) copies of the renewed permanent program permit for the Horizon Mine with two conditions. Please read the permit to be sure you understand the requirements of the permit, then have both copies signed by the appropriate Hidden Splendor Resources, Inc. officer and return one to the Division.

As one of the permit conditions, Hidden Splendor Resources, Inc. must republish the public notice for renewal for four consecutive weeks and if an objection letter is received and an informal conference requested, Hidden Splendor Resources, Inc. must comply with the Order issued as a result of the Informal Conference for this permit renewal. Publication must take place within 30 days of receipt of this letter and an Affidavit of Publication provided to the Division. The comment period will close 30 days following the last publication date.

If you have any questions, please call me.

Sincerely,



John R. Baza, Director
Division of Oil, Gas and Mining

JRB/DRH/sqs

Enclosures

cc: Kenneth Walker, OSM

O:\007020.HZN\PERMIT\2011\DecisionDocument.doc



**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL**

Hidden Splendor Resources, Inc.
Horizon Mine
C/007/0020
September 23, 2011

Contents

- * Administrative Overview
- * Permitting Chronology
- * Findings
- * Permit
- * Publication Notice
- * AVS Compliance Memo

ADMINISTRATIVE OVERVIEW

Hidden Splendor Resources, Inc.
Horizon Mine
C/007/0020
September 23, 2011

Background

The Horizon Mine is located in Consumers Canyon approximately 13 miles northwest of Price. A variety of coal mining activities occurred between 1921 and 1952 in the vicinity of the Horizon Coal Mine area. Several mines extracted coal from two coal seams, the Castlegate and the Hiawatha seams.

C and W Mining Company submitted a permit application for these mines in 1982, but a bond was never posted, and therefore, a permit never issued. The Blue Blaze Coal Company submitted a permit application for the Blue Blaze Coal Mine in March 1989. The permitting process proceeded for three years, whereupon the Division was prepared to issue a permit with ten stipulations on May 29, 1992. However, a bond was never posted and thus the permit was never issued to Blue Blaze.

On March 29, 1995 the Division was notified that the permit application PRO/007/020 had been assigned by Blue Blaze Coal Company to Horizon Coal Corporation. Horizon then proceeded to revise and update the application in the pursuit of a permit to mine coal. Horizon submitted an application on May 2, 1995 and a permit was issued on October 10, 1996, which authorized mining on approximately 317 acres of primarily fee lease (17 acres in a BLM Right-of-Way). The surface disturbed area consists of 9.15 acres and contains the typical support facilities for a small underground mine (i.e.: portals, fan, office, shop, supply and bath trailers, conveyors, pad and stockpile areas). The permit was transferred to Horizon Mining, LLC on November 6, 1997 and then to Lodestar Energy, Inc. on July 14, 1999. The need for additional lease acreage soon became apparent and Horizon Mining, LLC acquired the Beaver Creek Federal Lease on September 1, 1998 through the Lease By Application (LBA) process. This lease was acquired by Lodestar Energy, Inc. as part of its asset purchase from Horizon LLC, dated July 14, 1999.

Lodestar Energy, Inc. applied to permit 406 acres of the 1288 acre federal lease. Only a portion of the lease (area south of Beaver Creek) was permitted since adequate baseline hydrologic data had not been collected as yet for the area north of Beaver Creek. The addition of a portion of this federal lease was an underground extension of the existing Horizon Mine with no additional surface disturbances and continued room and pillar operation. The permit boundary contains 711 acres; 406 acres of federal lease and the remaining 305 acres are fee lease. The lease extension received a revised state permit on May 7, 2001 and mining plan approval from the Department of Interior on July 9, 2001 as an underground extension of the Horizon Mine.

The permit was transferred from Lodestar Energy, Inc. to Hidden Splendor Resources, Inc. on July 1, 2003.

The lease extension to add 866 acres north of Beaver Creek was approved by a mining plan approval on August 4, 2005. No additional surface disturbance was involved in this permitting action. Mining is done entirely in the Hiawatha seam commencing at a rate of 300,000 tons per year and increasing to a rate of 500,000 tons by room and pillar.

This permitting action brought the acreage to 1577 acres. This is the same acreage that is covered by the renewal application.

Public Notice

Hidden Splendor Resources, Inc. made application to the Division for a five-year permit renewal for the Horizon Mine on May 12, 2011. This renewal encompasses the same permit area and disturbance as currently approved in the permit. The permit renewal application was determined administratively complete on July 18, 2011. Through some misunderstanding, public notice for this permit renewal was published in the Sun Advocate for four consecutive issues beginning on July 26, 2011 and ending on August 4, 2011 rather than 4 consecutive weeks as required by R645-300-121.100. As a result of this a condition will be placed on the permit requiring Hidden Splendor to republish the notice of renewal.

Since the Horizon Mine permit expires on October 11, 2011, the Division will renew the permit effective on that date, with the condition that Hidden Splendor Resources, Inc. republish the public notice for renewal for four consecutive weeks and if an objection letter is received and an informal conference requested, Hidden Splendor Resources, Inc. must comply with the Order issued as a result of the Informal Conference for this permit renewal. The end of the public comment period will be 30 days following the last publication date.

One comment letter was received on September 7, 2011 after the initial public notice was published. This letter objected to the renewal and requested an informal conference on the permit renewal application to the extent that the Horizon Mine impinged on claims owned by Ralph Hafen. The request for a conference and objection were dropped when it was determined that the Horizon Mine is nowhere near the claims held by Mr. Hafen in Beaver County. No other comments have been received at this time.

Recommendation for Renewal

The Division made the decision on September 19, 2011 to approve the permit renewal for five years based on the fact that:

1. The terms and conditions of the existing permit are being satisfactorily met.
2. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program.
3. The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas.
4. The operator has provided evidence of having liability insurance and a performance bond will be in effect for the operation and will continue in full force and effect.
5. The permit is conditioned with the requirement to:
 - a. Submit water quality data through the Electronic Data Input web site.
 - b. Republish the public notice for renewal for four consecutive weeks

and if an objection letter is received and an informal conference requested, Hidden Splendor Resources, Inc. must comply with the Order issued as a result of the Informal Conference for this permit renewal. The end of the public comment period will be 30 days following the last publication date.

Recommendation

Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

Hidden Splendor Resources, Inc.
Horizon Mine
C/007/0020
September 23, 2011

May 12, 2011	Hidden Splendor Resources, Inc. submits permit renewal application.
July 18, 2011	Permit renewal administrative completeness determination.
July 18, 2011	Permit renewal completeness determination sent to applicable state, federal, and county agencies with a note that comments must be received by .
July 26 & 28, 2011 and August 2 & 4, 2011	Public Notice of permit renewal for the Horizon Mine published in the <u>Sun Advocate</u> .
September 3, 2011	End of public comment period. Hidden Splendor Resources, Inc. must republish the public notice for renewal for <u>four consecutive weeks</u> and if an objection letter is received and an informal conference requested, Hidden Splendor Resources, Inc. must comply with the Order issued as a result of the Informal Conference for this permit renewal. The end of the public comment period will be 30 days following the last publication date.
September 23, 2011	Approval of Permit effective October 11, 2011 is renewed with two conditions.

PERMIT RENEWAL FINDINGS

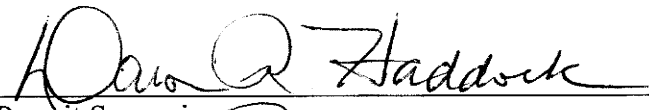
Hidden Splendor Resources, Inc.

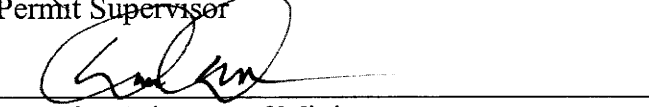
Horizon Mine

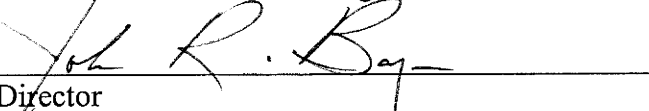
C/007/0020

September 23, 2011

1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234)
2. The terms and conditions of the existing permit are being met. (R645-303-233.110)
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120)
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. (R645-303-233.130)
5. The operator has provided evidence of maintaining liability insurance in full effect. (Arch Specialty Insurance Company, #CSPKG0052800)(R645-303-233.140)
6. The permittee has a reclamation surety on file with the Division and has provided evidence that the surety will remain in full effect. (Real Property in the amount of \$445,000) (R645-303-233.150)
7. To date, all other information has been submitted and updated the mining and reclamation plan as required by the Division through this permit term. (R645-233.160)


Permit Supervisor


Associate Director of Mining


Director

FEDERAL

**PERMIT
C/007/0020**

October 11, 2011

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801**

This permit, C/007/0020, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Hidden Splendor Resources, Inc.
57 West 200 South, Suite 400
Salt Lake City, Utah 84101
(801) 521-3301**

for the Horizon No. 1 Mine. A financial assurance in the form of Collateral (Real Estate) is filed with the Division in the amount of \$445,000.00, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Horizon Mine situated in the State of Utah, Carbon County, as shown on Plate 1-1 (Permit Boundary Map) in the approved Horizon Mine mining and reclamation plan and located in:

Township 13 South, Range 8 East, SLM

Section 6:	NW1/4SE1/4, SE1/4SW1/4, SW1/4SE1/4, SE1/4SE1/4
Section 7:	NW1/4, NE1/4, SE1/4, E1/2SW1/4, NW1/4SW1/4
Section 8:	S1/2NW1/4, NW1/4NW1/4, SW1/4NE1/4, SW1/4, W1/2SE1/4
Section 17:	NW1/4, W1/2NE1/4, NE1/4SW1/4, N1/2SE1/4SW1/4, N1/2NW1/4SW1/4, NW1/4SE1/4, N1/2SW1/4SE1/4
Section 18:	NE1/4NE1/4

The permit area of the Horizon Mine contains 1,577 acres, more or less, consisting of 305 acres, more or less of Fee coal and 1,272 acres, more or less of Federal leased coal. The permittee is authorized to conduct coal mining and

reclamation operations on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This permit becomes effective expires on October 11, 2016.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials and without delay to:

- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;

- (b) Immediate implementation of measures necessary to comply; and
- (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.), and the Clean Air Act (42 USC 7401 et seq.), UCA 26-11-1 et seq., and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit area in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 SPECIAL CONDITIONS - The permittee shall comply with the special conditions in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Joh R. By
Date: 9/26/11

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

PERMITTEE (Authorized Representative)

By: _____
Date: _____

Attachment A

Conditions

1. Hidden Splendor Resources, Inc. will submit water quality data for the Horizon Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>
2. Hidden Splendor Resources, Inc. must republish the public notice for renewal for four consecutive weeks and if an objection letter is received and an informal conference requested, Hidden Splendor Resources, Inc. must comply with the Order issued as a result of the Informal Conference for this permit renewal. The end of the public comment period will be 30 days following the last publication date.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.


County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 26th day of July, 2011, and that the last publication of such notice was in the issue of such newspaper dated the 4th day of August 2011.



Richard Shaw – Publisher

Subscribed and sworn to before me this 4th day of August, 2011.



Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, \$ 571.20



NOTICE OF PERMIT RENEWAL HIDDEN SPLENDOR RESOURCES, INC. HORIZON MINE C/007/020

Hidden Splendor Resources, Inc. (HSR), a Nevada Corporation, has submitted to the Utah Division of Oil, Gas and Mining, its intent to renew UDOGM Permit Number C/007/020. The address of the applicant is: Hidden Splendor Resources, Inc., 3266 South 125 West, Price, Utah 84501.

Hidden Splendor Resources, Inc., operates the Horizon Mine located approximately nine (9) west of U.S. Highway 6, on the Consumers Road within the south half of Section 17, Township 13 South, Range 8 East, SLBM. The currently approved Horizon mining permit number is C/007/020. The permit area is located on the Standardville and Jump Creek, USGS 7.5 minute quadrangle maps.

The description of the permit area is as follows:

T13S, R7E, S1M, UTAH

SEC. 1, S1/2

T13S, R8E, S1M, UTAH

SEC. 5, SW1/4NE1/4, N1/2SE1/4NE1/4, SW1/4SE1/4NE1/4, S1/2NW1/4, SW1/4, NW1/4NE1/4SE1/4, W1/2SE1/4

SEC. 6, SE1/4SW1/4, NW1/4SE1/4, S1/2SE1/4

SEC. 7, LOTS 1, 2, & 3, E1/2, E1/2W1/2

SEC. 8, SW1/4NE1/4, NW1/4NW1/4, S1/2NW1/4, N1/2SW1/4, SW1/4SW1/4, W1/2SE1/4, N1/2NE1/4, SE1/4NE1/4, NE1/4NW1/4, NE1/4SE1/4

SEC. 17, N1/2NW1/4, SW1/4NE1/4

SEC. 18, NE1/4NE1/4

Containing 2,513.49 acres, more or less, consisting of 305 acres more or less of Fee coal (Hidden Splendor Resources, Inc.) and 2,208.49 acres more or less of Federal leased coal.

Disturbed Area Boundary: 9.50 acres

A copy of the permit will be available for inspection at the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah and the Carbon County Courthouse, 120 East Main Street, Price, Utah. Written comments or request for an informal conference regarding this application must be submitted within 30 days of the last publication date of this notice to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate July 26, 28, August 2 and 4, 2011



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES


MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 19, 2011

To: Internal File

From: Daron R. Haddock, Coal Program Manager 

Re: Compliance Review for Section 510 (c) Findings - Permit Renewal, Horizon Mine, Hidden Splendor Resources, Inc., C/007/0020

As of the writing of this memo, there are no NOVS or COs which are not corrected or in the process of being corrected at the Horizon Mine. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Hidden Splendor Resources, Inc. Hidden Splendor Resources, Inc. does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement.

Permit Evaluation

Permit Number	ACT007020 SEQ:5
Permitee Name	153690 Hidden Splendor Resources Inc
Date Of Narrative	9/23/2011 11:29:46 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

19 Violations Found.

1: Bond Forfeiture	<u>2985329</u>	KY	Permit:2985329	Outstanding	5/14/1987
Violator 1:	078176 Adkins & Webb Inc				
2: State Civil Penalty	<u>053004</u>	KY	Permit:2985329	Outstanding	3/27/1986
Violator 1:	078176 Adkins & Webb Inc				
3: Bond Forfeiture	<u>2985332</u>	KY	Permit:2985332	Outstanding	8/19/1988
Violator 1:	108056 J & H Coal Co				
4: State Civil Penalty	<u>053764</u>	KY	Permit:2985332	Outstanding	9/18/1987
Violator 1:	108056 J & H Coal Co				
5: State Civil Penalty	<u>054149</u>	KY	Permit:2985332	Outstanding	3/28/1988
Violator 1:	108056 J & H Coal Co				
6: Bond Forfeiture	<u>4985319</u>	KY	Permit:4985319	Outstanding	1/20/1989
Violator 1:	034732 Price Coal Co				
7: State Civil Penalty	<u>053671</u>	KY	Permit:4985319	Outstanding	5/22/1987
Violator 1:	034732 Price Coal Co				
8: State Civil Penalty	<u>054020</u>	KY	Permit:4985319	Outstanding	4/26/1988
Violator 1:	034732 Price Coal Co				
9: State Civil Penalty	<u>054058</u>	KY	Permit:4985319	Outstanding	11/20/1987
Violator 1:	034732 Price Coal Co				
10: State Civil Penalty	<u>054148</u>	KY	Permit:4985319	Outstanding	3/24/1988
Violator 1:	034732 Price Coal Co				
11: State Civil Penalty	<u>054323</u>	KY	Permit:4985319	Outstanding	6/15/1988
Violator 1:	034732 Price Coal Co				
12: Bond Forfeiture	<u>6985333</u>	KY	Permit:6985333	Outstanding	1/16/1990
Violator 1:	108056 J & H Coal Co				
13: State Civil Penalty	<u>053568</u>	KY	Permit:6985333	Outstanding	6/5/1987
Violator 1:	108056 J & H Coal Co				
14: State Civil Penalty	<u>053757</u>	KY	Permit:6985333	Outstanding	7/6/1987
Violator 1:	108056 J & H Coal Co				
15: State Civil Penalty	<u>053934</u>	KY	Permit:6985333	Outstanding	10/2/1987
Violator 1:	108056 J & H Coal Co				
16: State Civil Penalty	<u>054316</u>	KY	Permit:6985333	Outstanding	3/28/1988
Violator 1:	108056 J & H Coal Co				
17: State Civil Penalty	<u>054442</u>	KY	Permit:6985333	Outstanding	6/15/1988
Violator 1:	108056 J & H Coal Co				
18: State Civil Penalty	<u>504587</u>	KY	Permit:8985157	Outstanding	8/23/1988
Violator 1:	007928 Past Coal Company Incorporated				
19: AML	<u>ACT/007/020</u>	UT	Permit:ACT007020	Conditional	9/30/2007
Violator 1:	153690 Hidden Splendor Resources Inc				

Evaluation OFT

Entities: 9

248416 America West Resources Inc - ()
---118472 Dan R Baker - (Chief Executive Officer)
---118472 Dan R Baker - (Director)
---118472 Dan R Baker - (President)
---153690 Hidden Splendor Resources Inc - (Subsidiary Company)
-----153692 Alexander H Walker III - (Director)
-----153692 Alexander H Walker III - (President)
-----153692 Alexander H Walker III - (Secretary)
-----153692 Alexander H Walker III - (Vice President)
-----153694 Alexander H Walker Jr - (Director)
-----153694 Alexander H Walker Jr - (Secretary)
---153692 Alexander H Walker III - (Director)
---153692 Alexander H Walker III - (Secretary)
---153693 Amanda W Cardinali - (Director)
---248537 George Jarkesy - (Director)
---248545 John Durbin - (Chief Financial Officer)
---248546 Brian Rodriguez - (Director)

Narrative

9/23/11 - Violation 19 issued to the permittee is under a bankruptcy reorganization settlement agreement. The remaining 18 KY state violations are under Island Creek settlement. Linking entity is Dan Baker. aw

C/007/020 Incoming

02 September 2011

RECEIVED

SEP 07 2011

DIV. OF OIL, GAS & MINING

TO: Utah Div. of Oil, Gas and Mining (Coal Regulatory Program)
FR: Valrea Hafen King – c/o Gregerson/Ralph Hafen (Customer ID #2265940)
RE: Notice of Permit Renewal (UDOGM Permit #C/007/020 – Hidden Splendor Resources, Inc. – Horizon Mine)

To the extent that the above claim/permit impinges or overlays the ten claims attached here - we are providing notice of our objection and requesting an informal conference regarding the Horizon Mine application.

Customer ID# 2265940

CLAIM SERIAL #	LEAD SERIAL #
1. UMC403492	UMC403488
2. UMC403493	UMC403488
3. UMC403495	UMC403488
4. UMC403496	UMC403488
5. UMC403497	UMC403488
6. UMC403499	UMC403488
7. UMC403500	UMC403488
8. UMC403501	UMC403488
9. UMC403561	UMC403553
10. UMC403562	UMC403553

Valrea Hafen King

Valrea Hafen King
(On behalf of Ralph Hafen)

(312) 213-9353

Summer Residence:
11 Bigelow Rd Princeton, MA 01541

Utah Residence:
2385 S. Augusta Rd.
St. George, UT 84790

KEEP ON TOP - YELLOW - ACTIVE MC LIST

File: UMC403488 - 403501

Active MC Count: 8

Claimant Name and Address

COBURN TROY
112 N STATE
MARYSVALE
PO Box 215
UT 84750

GREGERSEN ALLEN
210 W 200 N APT 8-UNDEL
RICHFIELD
UT 84701-2172

GREGERSEN BRUCE
PO BOX 181
MARYSVALE
UT 84750-0181

GREGERSEN VICKIE
PO BOX 181
MARYSVALE
UT 84750-0181

HIRSTEIN DOUGLAS D
112 COTTONWOOD DR
MORTON
IL 61550-1208

MOSSBERGER PAM
112 COTTONWOOD DR
MORTON
IL 61550-1208

SPENCER JESSICA
5925 S 275 W APT B
MURRAY
UT 84107-6966

SPENCER KENT
5925 S 275 W APT B
MURRAY
UT 84107-6966

Mc Claim Nm	Serial Nr Full	Case Disp	Case Type Txt	Mc Lbs Dt	Mc Rwp Rng
CANDY OFFICE # 8	UMC403482	A	PLACER CLAIM	02/01/2008	28 0280S 0130W
CANDY OFFICE # 8	UMC403493	A			
CANDY OFFICE # 8	UMC403495	A			
CANDY OFFICE # 9	UMC403496	A			
CANDY OFFICE # 10	UMC403497	A			
CANDY OFFICE # 12	UMC403499	A			
CANDY OFFICE # 13	UMC403500	A			
CANDY OFFICE # 14	UMC403501	A			

**CHANDLER CITY FIELD OFFICE
BRANFORD COUNTY**

STATUS OF PUBLIC LAND AND MINERAL TITLE

FOR CREDIT ADVISING PURPOSES, SEE "CREDITED LEADS" INFORMATION. LEADS ARE NOT TO BE USED FOR CREDIT PURPOSES. LEADS ARE TO BE USED FOR INFORMATIONAL PURPOSES ONLY.

[illegible]

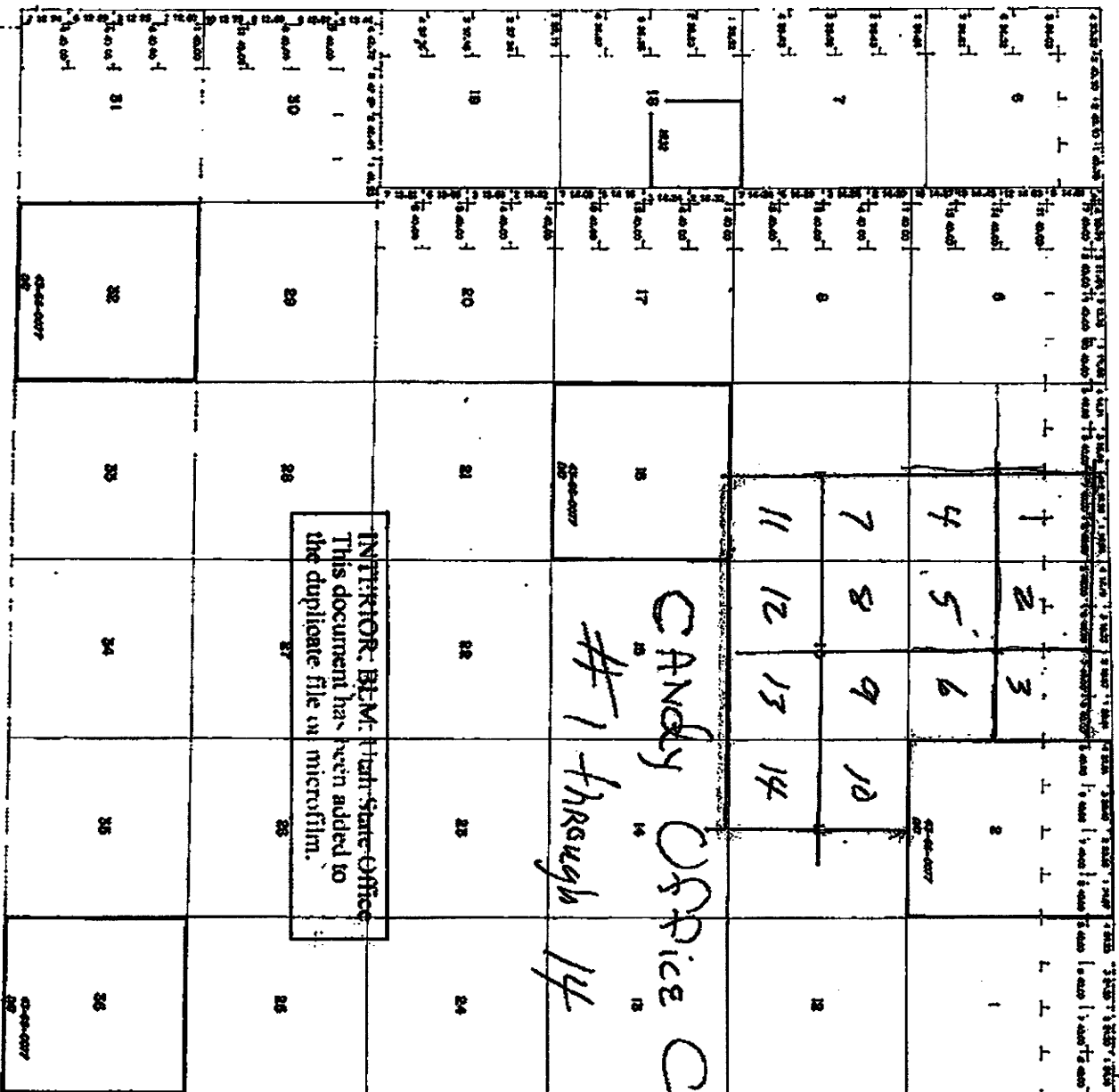
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FEB - 1964

**BUREAU OF
LAND MANAGEMENT**

INTEGRATOR, Et. M. - Utah State Office
This document has been added to
the duplicate file on microfilm.

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136b	267.00.00

9000-02-2

KEEP ON TOP - YELLOW - ACTIVE MC LIST**File: UMC403553 - 403566****Claimant Name and Address****Active MC Count: 2**GREGERSEN ALLEN
210 W 200 N APT 8-UNDEL
RICHFIELD

UT 84701-2172

GREGERSEN BRUCE
PO BOX 181
MARYSVALE

UT 84750-0181

GREGERSEN VICKIE
PO BOX 181
MARYSVALE

UT 84750-0181

HIRSTEIN DOUGLAS D
112 COTTONWOOD DR
MORTON

IL 61550-1208

MARSHALL ARTHUR
432 S BELAIR RD-UNDEL
MARTINEZ

GA 30907-9601

MOSSBERGER PAM
112 COTTONWOOD DR
MORTON

IL 61550-1208

SPENCER JESSICA
5925 S 275 W APT B
MURRAY

UT 84107-6966

TOLLE CORY
~~568 HIGHGROVE PLACE DR~~
O'FALLON

MO 63366-4385

256 Stiles Dr
Wentzville MO 63385-6806

Mc Claim Nm	Serial Nr Full	Cust Nm	Case Disp	Casetype Txt	Mc Loc Dt	Mer Twp Rng
CANDY OFFICE # 23	UMC403561	GREGERSEN ALLEN	A	PLACER CLAIM	02/08/2008	28 0280S 0130W
		GREGERSEN BRUCE	A			
		GREGERSEN VICKIE	A			
		HIRSTEIN DOUGLAS D	A			
		MARSHALL ARTHUR	A			
		MOSSBERGER PAM	A			

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Page 2 of 2

Mo Claim Nm	Serial Nr Full	Cust Nm	Case Disp	Casotype Txt	Mo Loc Dt	Mer Twp Rng
		SPENCER JESSICA	A			
		TOLLE CORY	A			
CANDY OFFICE # 24	UMC403562	GREGERSEN ALLEN	A			
		GREGERSEN BRUCE	A			
		GREGERSEN VICKIE	A			
		HIRSTEIN DOUGLAS D	A			
		MARSHALL ARTHUR	A			
		MOSSBERGER PAM	A			
		SPENCER JESSICA	A			
		TOLLE CORY	A			

**COEUR D'ALENE FIELD OFFICE
BEAVER COUNTY**

STATUS OF PUBLIC DOMAINS
LAND AND MINERAL TRESSES

OG PLAT

DATE		TIME		LOCATION		REMARKS	
DAY	MONTH	YEAR	HOUR	MIN	SEC	NO.	DESCRIPTION
1	2	3	4	5	6	7	8
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985	986	987	988	989	990	991	992
993	994	995	996	997	998	999	1000

FOR CHARGE AFFIDAVIT RETURN TO ME AT
POSTOFFICE BOXES WINDSOR, ONT. L9A 4E1
MONTGOMERY, ILLINOIS 61801 (CHARGE AFFIDAVIT)
RETURN TO ME AT 10000 WINDSOR AVENUE
WINDSOR, ONT. L9A 4E1 (CHARGE AFFIDAVIT)

W. P. P.

Candy Off

Claims 15-23

2-8-0

INTERIOR, R.I. M Unit
This document has been
the duplicate file on microfilm

CONTACT NO	
NO-39-0108	4006-1 727-252-1111

MAH SAILE OFFICE
RECEIVED
ACCOUNTS UNIT
JUN 20 1966

[illegible]

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
MINING CLAIMS

MC Customer Information - With Serial No. and Claim Name
CLOSED CLAIMS

Run Date: 09/13/2011 09:04 AM

Page 1 of

Admin State: UT

Geo State: UT

HAFEN RALPH J
55 W CENTER ST # 333
NORTH SALT LAKE, UT

CUSTOMER ID: 1222996

<u>Serial No.</u>	<u>Claim Name/Number</u>	<u>Lead Serial No.</u>	<u>Disposition</u>
UMC246330	GAMMA	UMC246330	CLOSED
UMC246331	DELTA	UMC246330	CLOSED
UMC246332	DELTA # 1	UMC246330	CLOSED
UMC246333	DELTA # 2	UMC246330	CLOSED
UMC246334	DELTA # 3	UMC246330	CLOSED
UMC246335	DELTA # 4	UMC246330	CLOSED
UMC246336	DELTA # 5	UMC246330	CLOSED
UMC246337	DELTA # 6	UMC246330	CLOSED
UMC98437	DAISY NO 1	UMC98437	CLOSED
UMC98438	DAISY NO 2	UMC98437	CLOSED
UMC98439	DAISY NO 3	UMC98437	CLOSED
UMC98440	DAISY NO 4	UMC98437	CLOSED
UMC98441	DAISY NO 5	UMC98437	CLOSED
UMC98442	DAISY NO 6	UMC98437	CLOSED
UMC98443	DAISY NO 7	UMC98437	CLOSED
UMC98444	DAISY NO 8	UMC98437	CLOSED
UMC98445	DAISY # 9	UMC98437	CLOSED
UMC98446	DAISY # 10	UMC98437	CLOSED
UMC98447	DAISY # 11	UMC98437	CLOSED
UMC98448	DAISY # 12	UMC98437	CLOSED
UMC98449	DAISY # 13	UMC98437	CLOSED
UMC98450	DAISY # 14	UMC98437	CLOSED
UMC98451	DAISY # 15	UMC98437	CLOSED
UMC98452	DAISY # 16	UMC98437	CLOSED
UMC98453	DAISY # 17	UMC98437	CLOSED
UMC98454	DAISY # 18	UMC98437	CLOSED
UMC98455	DAISY # 19	UMC98437	CLOSED
UMC98456	DAISY # 20	UMC98437	CLOSED

Number of CLOSED cases: 28